

# **UTAH COUNTIES INDEMNITY POOL**

## **PURCHASING POLICY**

Effective Date: August 18, 2016  
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Last Revision Date: August 18, 2016

### **ARTICLE I - GENERAL PROVISIONS**

1. The underlying purposes of this policy are:
  - a. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with the Utah Counties Indemnity Pool (UCIP).
  - b. To provide for the greatest possible economy in UCIP's procurement activities.
  - c. To foster effective, broad-based competition within the free enterprise system to ensure that UCIP will receive the best possible services or products at the lowest possible prices.
2. Compliance - Exemptions from this policy.
  - a. This policy shall not prevent UCIP from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
  - b. When a procurement involves the expenditure of federal assistance funds, UCIP shall comply with applicable federal law and regulations.
3. Definitions.
  - a. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
  - b. "Change order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

- c. "Contract" means any agreement entered into by UCIP for the procurement or disposal of supplies, services, or construction, but shall not mean any policy of insurance, excess insurance or reinsurance, bond, surety or other risk financing instrument.
- d. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
- e. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
- f. "Professional services" means labor, effort or work that requires an elevated degree of specialized knowledge and discretion, including accounting, architecture, construction and design management, engineering, financial services, information technology, insurance brokerage, legal, medical, or underwriting.
- g. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
- h. "Purchasing agent" means the Chief Executive Officer or other person duly authorized by the UCIP Board of Trustees to enter into and administer contracts and make written determinations with respect thereto.
- i. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
- j. "Request for proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.
- k. "Request for qualifications" means a document used to solicit information about the qualifications of a person interested in providing services including all other documents attached to that document or incorporated in that document by reference.

## ARTICLE 2 - OFFICE OF THE PURCHASING AGENT

The UCIP Chief Executive Officer shall act in the capacity of Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations under this policy. The Purchasing Agent may delegate purchasing authority to the CFO at their discretion.

### ARTICLE 3 - SOURCE SELECTION AND CONTRACT FORMATION - GENERAL PROVISIONS

1. Purchases not requiring sealed bids.
  - a. Purchases costing less than \$5,000 in total shall not require bids of any type. (Purchases shall not be artificially divided so as to constitute a small purchase under this section.)
  - b. Purchases costing more than \$5,000 but less than \$10,000 in total, shall require at least 3 telephone bids.
  - c. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing.
  - d. Purchases made from a single-source provider as determined by the Purchasing Agent.
  - e. Purchase of professional services.
  - f. Purchase of services if the Purchasing Agent opines in writing to the Board of Trustees that the services are of such a nature, or require being provided in such a nature, as to be best provided by a specific source.
  - g. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare, or safety. However, as much competition as practical should be obtained: and. Such purchases should be limited to amounts necessary to the resolution of the emergency.
2. Purchases requiring sealed bids.
  - a. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
  - b. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least 30 days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
  - c. Any procurement by sealed bid in excess of \$10,000 shall require a legal notice in a local newspaper of general circulation.
  - d. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each

bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.

- e. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
- f. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of UCIP or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.
- g. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

3. Cancellation and rejection of bids.

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of UCIP. The reasons shall be made part of the contract file.

4. Use of competitive sealed proposals in lieu of bids.

When the Purchasing Agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to UCIP, a contract may be entered into by competitive sealed proposals. Competitive sealed proposals are most appropriately used for professional service- type contracts.

- a. Proposals shall be solicited through a request for proposals. Public notice of the request for proposals shall be given at least 30 days prior to the advertised date of the opening of the proposals.
- b. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
- c. The request for proposals shall state the relative importance of price and other evaluating factors.
- d. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be

permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors, except to the extent required by law.

- e. Award shall be made to the person whose proposal is determined, in writing, to be the most advantageous to UCIP, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.
- 5. Architect-Engineer services are qualification-based procurements, and may be solicited through a Request for Qualifications process. Requests for such services should be publicly announced. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.
- 6. Broker services are qualification based procurements, and may be solicited through a Request for Qualifications process. Requests for such services should be publicly announced. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.
- 7. Determination of non-responsiveness of bidder.  
  
Determination of non-responsiveness of a bidder or offer or shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsiveness may be grounds for a determination of non-responsiveness with respect to the bidder or offeror.
- 8. Cost-plus-a-percentage-of-cost contracts prohibited.  
  
Subject to the limitations of this section, any type of contract which will promote the best interests of UCIP may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to UCIP than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.
- 9. Required contract clauses.
  - a. The unilateral right of UCIP to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
  - b. Variations occurring between estimated quantities of work in a contract and actual quantities.

- c. Suspension of work ordered by UCIP.

#### ARTICLE 4 - SPECIFICATIONS

All specifications shall seek to promote overall economy and best use for the purposes intended, and encourage competition in satisfying UCIP's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article and Utah law, Utah products shall be given preference.

#### ARTICLE 5 – APPEALS

1. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the purchasing agent. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts.
2. The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing board.
3. The Board of Trustees of UCIP shall be the final appeal.

#### ARTICLE 6 - ETHICS IN PUBLIC CONTRACTING

1. No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
2. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to UCIP.